

SYN. NO. \_\_\_\_\_

AGN. NO. 46-D

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

August 14, 2007

**Amendment to Item #46-D**

I concur with the motion as introduced by Supervisor Antonovich and offer this amendment to provide additional Board direction in implementing the recommendations made by the Auditor-Controller in his August 3, 2007 Phase One review of the Department of Children and Family Services' (DCFS) procurement practices. Specifically, the A-C makes the following observations.

- DCFS Procurement personnel manually track purchases, supplies and inventory. Given the size of this department, maintaining accurate records is challenging with a manual system.
- Under the current organizational structure of DCFS, Procurement is overseen by an Administrative Services Manager II, which may not be a sufficiently high-level position.
- Corporate Express, a DCFS contractor, may have violated its County contract.
- Countywide, not all procurement staff may be knowledgeable about County purchasing policies and guidelines.
- Additionally, A-C staff concurs that procurement is one of the areas where fraud is most frequently identified within the County bureaucracy.

**I, THEREFORE, MOVE** that in addition to the recommendations made by the Auditor-  
MOTION

MOLINA \_\_\_\_\_

BURKE \_\_\_\_\_

KNABE \_\_\_\_\_

ANTONOVICH \_\_\_\_\_

YAROSLAVSKY \_\_\_\_\_

Controller in review, the Chief Executive Officer, in conjunction with the DCFS, the A-C and Internal Services Department (ISD) be instructed to do the following:

1. The CEO and DCFS should determine the feasibility of establishing an automated inventory system and, as part of this review, should specifically explore the possibility of DCFS participation in the eCAPS pilot (to be implemented in July 2008); and report back in 60 days.
2. The CEO should examine the possibility of creating a permanent ASM III position to oversee DCFS Procurement, and report back in time for consideration of the FY 2007-2008 Supplemental Budget in September.
3. The CEO should work with DCFS, ISD and County Counsel to determine possible contract violations by Corporate Express, and take legal action as necessary.
4. The CEO, ISD and A-C should work together to conduct a training program within 120 days, and annually thereafter, for all department procurement employees, supervisors and managers to reinforce County procurement policies and procedures.
5. The A-C should assess the need to conduct specialized procurement audits of County departments and report back to the Audit Committee within 60 days. The A-C's assessment should include the identification of departments with significant procurement risks; recommendations on the scope and frequency of these audits; and, a priority listing of departments to be audited based on such factors as the amount and nature of procurement transactions.